

THE GEORGE WASHINGTON UNIVERSITY  
Washington, D.C.

MINUTES OF THE REGULAR MEETING  
OF THE FACULTY SENATE HELD ON  
MAY 8, 2009 IN THE STATE ROOM

The meeting was called to order by President Knapp at 2:15 p.m.

Present: President Knapp, Executive Vice President for Academic Affairs Lehman, Registrar Amundson and Parliamentarian Charnovitz; Deans Barratt, Dolling, Phillips, and Scott; Professors Barnhill, Benton-Short, Boyce, Biles, Castleberry, Cordes, Corry, Dickson, Galston, Garcia, Garris, Griffith, Harrington, Helgert, Hotez, Johnson, Klaren, Lipscomb, Pagel, Parsons, Plack, Rehman, Robinson, Wilmarth, Windsor, and Wirtz

Absent: Deans Brown, Burke, Futrell, Lawrence, and Reum; Professors Costanza and Simon

APPROVAL OF THE MINUTES

The minutes of the meeting held on April 10, 2009 were approved as distributed.

INTRODUCTION OF NEW MEMBERS

President Knapp announced the names of newly elected Senate members and asked them to stand as he did so. Newly elected Senate members were: Professors Theodore M. Barnhill, Douglas Boyce, Bruce Dickson, Jorge Garcia, Peter F. Klaren, and Scheherazade S. Rehman.

Re-elected Senate members were: Professors Brian L. Biles, Michael S. Castleberry, Charles A. Garris, Jr., Diana E. Johnson, Scott B. Pagel, Donald O. Parsons, and Gary L. Simon. (Professor David P. Costanza was absent from the meeting.)

CHANGE IN THE ORDER OF THE AGENDA

Professor Robinson requested and received unanimous consent to change the order of the agenda so that Dean Scott's report could be heard as the next item of business.

REPORT ON THE SCHOOL OF MEDICINE AND HEALTH SCIENCES

Dean Scott began his report by observing that GW's School of Medicine and Health Sciences (SMHS) is the eleventh oldest medical school in the country, as it was established in the 1820's. The School has had a nomadic existence at various sites in Washington D.C. and has also been associated with various hospitals, none of which exist anymore. It was not until 1973 that the Medical School was moved to the Foggy Bottom Campus, next to the old GW Hospital on Pennsylvania Avenue N.W., which was built in 1947. Between 1973 and 2008, only one other medical school was established in the U.S., so, paradoxically, the



SMHS is not only one of the oldest, but also one of the youngest medical schools in the country.

During the 1970's and 80's, the whole tenor of medical education, or rather the way that medical centers were viewed, changed, with an increasing emphasis on research enterprises. State schools, which had not previously focused on this area, invested billions of dollars, with many building new research facilities using state and federal funding. Other sources of revenue for these enterprises included significant research funding, earmark funding, and often large endowments, none of which are currently available to GW.

Dean Scott related that, when he came to GW in 1984 as a resident in Emergency Medicine, he was told that before he finished his residency in two years that a new hospital would be built, because if it was not, it would not be possible to sustain the enterprise in downtown Washington. This, of course, did not happen until 2003 when, following years of discussions with various potential partners, an arrangement was finally reached between the University and United Health Services to build a new GW Hospital.

According to Dean Scott, the construction of the new Hospital has brought a renewed enthusiasm and excitement to the GW Medical Center. The separate incorporation of GW's medical faculty into a practice plan has brought relatively more advantages than challenges as it makes it possible to keep pace with the market in medicine, which changes very quickly.

Dean Scott described some of the complexities of the Medical School, which has 23 departments: 5 in basic science (four downtown in Foggy Bottom and a new department of Systems Biology at Children's Hospital, a hospital where there are 308 faculty). There are also 3 health sciences departments: Nursing, Health Sciences, and the newly named Clinical Research Management department which is a research development department. There are in addition 15 clinical departments, from pediatrics at Children's Hospital to all of the surgical departments, medicine, and anesthesia.

In total, the Medical School includes 2,400 faculty around the city and the region. Over 700 of these faculty are full-time. The largest clinical partner is Children's Hospital without which it would be very hard for the Medical School to exist as there are no pediatricians downtown related to GW. The University's pediatrics department is the Children's National Medical Center which houses more than 50% of the Medical School's total research portfolio included in the School's ranking. All GW medical students do their residencies in pediatrics there.

The Medical School also maintains a relationship with the Veteran's Administration Hospital, which is a complicated arrangement because, in addition to GW students, the VA Hospital also takes students from the other three medical schools in the D.C. area: Georgetown University, Howard University, and Uniformed Services University, which is located in Bethesda. The Medical School also partners with INOVA Fairfax Hospital, another complicated arrangement, as it is a branch campus of the Medical College of Virginia (Virginia Commonwealth University's Medical School in Richmond, Virginia.) All of the MCV medical students' residency programs are GW residency programs, including medicine, surgery, psychiatry, neurology, urology, emergency medicine, and more. Virtually every third and fourth-year GW medical student does a rotation at INOVA Fairfax Hospital. Other partners of the Medical School, and they are numerous, include Holy Cross



Hospital, the Psychiatric Institute of Washington, Northern Virginia Mental Health, and Saint Elizabeth's. The Medical School has quite a complex organizational structure which requires that the Medical School treat all of its partners well as these are active partners necessary both to ensure continued success educationally and in research.

In terms of applicants, Dean Scott observed that in 2002, a year before he became Dean, there were 8,126 applications to the Medical School. This year, there are 13,586 applications for approximately 140 openings, the number remaining after 35 students are preselected. Overall there is about a 1% acceptance rate, and the School leads the nation for the fourth year in a row in having more applicants than any other. Secondary applicants are also numerous, approximately 10,557 this year. In addition, there are Ph.D. programs in three concentrations, as well as a partnership with the National Institutes of Health.

Dean Scott described several of the numerous health sciences programs, which include a Physician's Assistant program that was ranked 5<sup>th</sup> in the county. A Doctor of Physical Therapy program is headed by Professor Plack. There are 5 Master's in Nursing programs as well as a Doctor of Nursing Practice. There is also a new program for undergraduates who did not major in nursing but return to school for a two-year Bachelor's in Nursing degree. There also over 1,000 online students enrolled for next year, predominantly in the field of clinical lab science but also in several of the advanced nursing programs.

Dean Scott briefly touched on important benchmarks in a medical student's career, one being an examination that they take at the end of their first two years. Every medical student in the country must take this exam. Last year, GW medical students were at 96%, which is the national average. Another examination occurs at the end of a student's four year course of study, and the second part of the exam requires them to go to Philadelphia and examine eleven patients over the course of the day. In five years, only five students, total, have failed that examination. Graduating seniors go through a process of matching in order to find their residency programs. Once again this year, GW was slightly above the national average at 95%. These students are going to well-established and well-known residency programs, including Children's Hospital, Pennsylvania, which is the premier Children's Hospital in the country. Other students will be doing general surgery residencies at the University of California at San Francisco Hospital, or Massachusetts General Hospital. Four students will also go to Johns Hopkins for their residency programs. As far as residency programs within the GW Medical Center are concerned, Dean Scott reported that for the third year in a row, 100% of all positions in all of GW's 38 residency programs have been filled. All of these programs are fully accredited over an average cycle length of 3.7 years.

Dean Scott then discussed matters concerning the Medical School Faculty. Since the incorporation of the practice plan (the Medical Faculty Associates) in 2001, the number of faculty at Foggy Bottom has increased by more than 30%. The number of patients have increased by about that same number in that period of time. The Medical Center is currently in the process of a search for a Surgery Department Chair. The pool of 30 viable applications has been winnowed down to 10, and two of candidates have already completed the interview process. Key hires have also been made – Professor Kumar of Biochemistry, who comes to the University from M.D. Anderson with four active R01 grants, does research in the area of co-regulators of cancer. A new member of the renal division has been hired, an individual Dean Scott said was the first clinician head of a division who came to the



University with NIH funding on the way in. There are also presently four members of the Institute of Medicine on the faculty: Professors Vanessa Northington Gamble, Fitzhugh Mullen, Jordan Cullen, and Peter Hotez. Three of these four hold endowed professorships. The caliber of hires the Medical School is attracting mean that with a stable financial system and a base in an attractive city, the School has stopped discussing the possibility of moving or relocating the Medical Center and is now focusing on building programs and facilities. This will, of course, require significant resources, both for facilities and for attracting new faculty and expanding the research enterprise. Ross Hall was built in 1973 and will at least need a facelift, if not more substantial work. If the Science and Engineering Complex is constructed, this will be right across the street from Ross Hall (the Medical School building), and this will provide numerous opportunities for collaboration.

There are challenges in the resource area which include the fact that GW Medical School is the third most expensive in the country with a relatively small scholarship base. This will need enhancing, and money will have to be found to sponsor residents who want to go away for a year or finish their Master's in Public Health. Most important, resources will be required to bring in high-caliber faculty and protect their time so they do not have to see patients four and half days a week and can devote themselves to their research.

Dean Scott concluded by giving an update on the status of the Medical School's reaccreditation following its placement on probation. Since his report in November, Dean Scott said that the meeting scheduled with the Liaison Committee on Medical Education (LCME) had taken place in February and the SMHS corrective action plan was accepted without a change. In fact, three of the previous findings were withdrawn. The accreditors will be back for another visit from October 18 – 20 following submission of more reports by SMHS. In terms of required improvements, the new curriculum management structure is now in place, as is the database. The new lounge is completely open, and the new study space in the Library will be finished pending the arrival of new, specially built furniture, in mid-June or early July. Dean Scott said he hoped to come back to the Senate next May, if invited, and tell everyone that the reaccreditation issues have been laid to rest. In the meantime, other reaccreditations are ongoing. The Physical Therapy and Physician's Assistant programs have both been reccredited. The School's 38 residency programs are fully accredited on an individual basis, and an institutional residency accreditation procedure which covers all of GW programs taken together has just been completed as well.

#### CHANGE IN THE ORDER OF THE AGENDA

Professor Robinson requested and received unanimous consent so that Tributes to Retiring Faculty Who Have Served on the Faculty Senate, and the Chair's Remarks, could be heard as the next items of business.

#### TRIBUTES TO RETIRING FACULTY WHO HAVE SERVED ON THE FACULTY SENATE

Professor Plack read a tribute to Joseph M. Giordano, Professor Emeritus of Surgery. Professor Wirtz read a tribute to Debra Sheldon, Professor Emeritus of Accountancy. (The tributes are attached.)



CHAIR'S REMARKS

President Knapp thanked both Professors for reading the tributes. As he had been absent at the April meeting when Professor Wilmarth completed his term as Chair of the Senate Executive Committee, the President added his personal thanks for Professor Wilmarth's service.

President Knapp noted with sadness that Professor Cornelius Bennhold of the Physics Department recently passed away and he expressed sympathy to his family and friends. Professor Bennhold was an active University citizen, a very well-respected member of the faculty, and an outstanding teacher who was a recipient of the distinguished teaching award, among other recognitions. He will be sorely missed.

President Knapp also commented on the untimely death of Laura Treanor, an undergraduate student who was found deceased in her residence hall room at the beginning of the year. At the time, the Metropolitan Police Department determined that this was a death from natural causes. The release of the results of the medical investigator's findings last week was a sad reminder of her passing when it was announced that the cause of death had been acute alcohol intoxication. President Knapp said he had asked Dolores Stafford, Chief of the University Police Department, and Dean of Students Linda Donnels, to review the circumstances surrounding this student's death, and determine what further steps the University might take in response to this. He said he had been surprised to learn that it is possible for a student to return to a residence hall under her own power after consuming a large amount of alcohol, and several hours later for the student's blood alcohol level to rise to the point it could cause death during sleep. It may be that the University needs to intensify its efforts, which have been strong and systematic in the area of alcohol awareness, to educate students on the general risks of alcohol, with a particular focus on the risk of acute alcohol intoxication, which may not be well understood.

President Knapp reported briefly on events that unfolded when two probable (but as yet unconfirmed) cases of influenza resulting from infection by the H1N1 virus were discovered at GW. Both students have now recovered, and there have been some other probable cases, but there is no sign of contagion that would cause University events such as final examinations or Commencement to be rescheduled. There is a very strong University-wide oversight group led by Senior Associate Vice President Ed Schonfeld and Associate Vice President Jeffrey Lenn that is keeping in touch with medical experts, coordinating communications across the University, and standing by to advise on any other steps the University needs to take. The concern is that this virus may return during the regular fall and winter flu season in a more virulent form, so the University needs to be prepared for that eventuality.

President Knapp gave an overview of administrative changes that have taken place this semester. Lorraine Voles has been appointed as Vice President for External Relations, a new position that combines two previously separate vice presidential areas, Communications, and Government Relations. There is a tremendous overlap between these two areas, and President Knapp said he expected that better coordination of these two functions will occur as a result of uniting them under one office.

The University has also filled the newly created position of Vice President for Research. Dr. Leo Chalupa came to the University in April and is already very actively



involved in his area of responsibility. A University-wide group has been established to examine possible funding that may be available from the budget stimulus package. Given the particular strengths of the University's faculty, the group is also looking at University-wide initiatives that might cut across departmental/divisional lines and help to strengthen GW's visibility and contributions as a research institution.

President Knapp also announced that Ron Bonig, Vice President for Information Services and Technology, has retired. The position has been converted to that of Chief Information Officer, and a search will be conducted to fill it. In addition, Val Berry, Vice President for Human Resources, has also departed. That position will be converted to that of Chief Human Resources Officer. Neither position will be a cabinet position in future. President Knapp assured everyone that this does not mean a lessening of interest in these areas, but rather, is a result of trying to introduce a little more verticality into the structure of the University.

President Knapp noted that when he arrived at GW, he set up a task force to review policies and procedures in GW's safety and security programs. This was done in response to two official reports on the tragedy at Virginia Tech. The task force's work is now complete, and a number of recommendations were made. Implemented last year were measures to strengthen communication across the various areas in which safety and security was being handled, as well as the University's procedures for evaluating troubled individuals who were of concern to their colleagues, whether students, faculty, or staff. This year the task force identified several areas for further study. One was whether or not the UPD or some portion of it should be armed. Witt Associates, a well-established consultancy firm in this area, was engaged and issued a report. President Knapp said he also consulted widely on this matter. Last week, President Knapp announced his decision not to proceed with arming the UPD, but to seek stronger connections with the Metropolitan Police because one of the concerns that had triggered this recommendation were questions about the response time of that unit if an emergency were to arise such as the one at Virginia Tech. In addition, President Knapp settled upon a plan to integrate all of the University's safety and security operations under a single new administrator who will be an expert in this area. The University will conduct a national search to fill this new position. The new Assistant Vice President will bring together the UPD, the part of Risk Management that concerns safety, and the Emergency Preparedness Office. These are three separate units that were really quite distinct from each other and while they have cooperated together quite effectively, more consistent coordination of those operations was recommended by the consulting firm. This consolidation is also in line with the best practices of other institutions.

President Knapp also reported that this past semester he took two international trips, one to the Dominican Republic, and the other to the Middle East. While in the Dominican Republic, he met with President Fernandez to discuss GW's initiatives there, including a possible extension of work on neglected tropical diseases in that country. President Knapp was accompanied on his Middle East trip by Dean Brown of the Elliott School, and former Ambassador Gnehm, now a faculty member at the School. The group traveled to Kuwait, Saudia Arabia, Abu Dhabi, and Dubai. One purpose of the trip was to express the University's appreciation to the Prime Minister of Kuwait, who had made it possible for the Kuwaiti government to provide additional funds (\$1 million) to their already generous donation of \$3.5 million to GW for Middle Eastern Studies. Another objective of the trip was to connect with academic partners in the Middle East, and with GW alumni, many of whom are highly placed there. President Knapp shared several anecdotal observations



about his trip and concluded by observing that, although the Middle East is a complicated part of the world, there are a number of opportunities for partnership and educational programs there.

In terms of campus highlights, President Knapp related that this year Earth Day has become Earth Week, and at GW the week began and ended with academic symposia, one on carbon neutrality, and the other on solar energy. He said he thought the week's events were quite successful. The results of GW's climate survey were announced during Earth Week and the report on the University's carbon emissions will provide a baseline so that the University can measure its progress as it tries to reduce its own impact on the environment. As most know, the University has established an Office of Sustainability headed by Meghan Chapple-Brown, who is very experienced in the public and private sectors in this area. Over the long term, GW hopes to develop academic programs that will respond in ways that make sense in terms of the expertise and interests of its faculty. The University already has a Solar Energy Institute, and there are strengths in the Law School and the Engineering School in this area. Across the institution there are many interested in sustainability, public health, and education. There is probably more that can be offered academically than at present to provide intellectual leadership on all sides of these issues.

In conclusion, President Knapp noted the rapid approach of the date for Commencement ceremonies, and he invited everyone to attend. Three honorary doctorates will be conferred, on White House Chief of Staff Rahm Emanuel (the Commencement speaker) Jeanne Narum of Project Kaleidoscope, and John Safer, a GW alumnus who has had a remarkable, varied, and distinguished career as a banker, a lawyer, and an internationally renowned sculptor. A number of his works, including the Quill sculpture in the Gelman Library, grace the GW campus.

Professor Griffith asked about the acceptance rate in May for the freshmen class. President Knapp said he had received a report on this that morning, and the numbers this year are the same as last. In the current economic circumstances, there is no way to tell if, or to what extent, the number of students accepted and paying deposits who do not elect to attend the University will "melt" over the summer. Vice President Lehman confirmed that approximately 2,600 undergraduate deposits have been received. If the "melt" amounts to 10% this would still produce a class numbering 2,300 to 2,400. From the viewpoint of the budget, the target number is 2,350 and thus admissions seem to be right on track. At the graduate level, there are approximately 20% more students committed to attend than expected, so this also looks good.

Professor Wirtz said he thought the University has done an excellent job of preparing for contingencies involving the influenza situation, but at some point GW may face an emergency that requires it to shut down operations for a prolonged period. He asked if there are contingency plans in place, or some other emergency mechanism that could be invoked, to continue academic operations if it becomes necessary to shut down the Foggy Bottom campus. President Knapp responded that although he had inquired about business continuity plans when he arrived two years ago, he could not answer Professor Wirtz's question in detail. He also assured the Senate that this problem has been thought through and that he could report back to the Senate on details he did not have with him at the moment. As Assistant Vice President John Petrie of Emergency Management has left the University, these responsibilities will fall under the area of the new Assistant Vice President for Safety and Security. Vice President Lehman confirmed that over the last three years, all



of the schools have developed not only contingency plans, but also continuity plans. There is no question, he added, that these will need to be evolved to a higher level.

**RESOLUTION 09/1, "A RESOLUTION TO AMEND THE GEORGE WASHINGTON UNIVERSITY EQUAL EMPLOYMENT OPPORTUNITY POLICY (EEOP) TO INCLUDE 'GENDER IDENTITY OR EXPRESSION' "**

Professor Robinson introduced Resolution 09/1 and yielded the floor to Professor Wilmarth, who offered an amendment on behalf of the Senate Executive Committee. Professor Wilmarth distributed copies of the amendment, which he characterized as a technical one. The amendment addresses two concerns and desires of the Executive Committee. First, the Executive Committee wanted to ensure that the GWU EEOP Policy would be consistent in all respects with federal law, the D.C. Human Rights Act, and other applicable law. Second, when the Executive Committee reviewed the D.C. Human Rights Act, it became clear that there were several grounds for prohibited discrimination in the D.C. statute that are not specifically mentioned in the GWU EEOP Policy, and the Executive Committee wanted to insert appropriate language to make clear that the list of prohibited reasons for discrimination in the Policy is a non-exclusive list. After drafting its proposed amendment, the Executive Committee referred the amendment to the University's Office of General Counsel. Susan Kaplan of that Office was very helpful in providing advice and in suggesting additional changes to make sure that the Executive Committee's purposes were accomplished. Thus, the language of the amendment before the Senate was also recommended and approved by the General Counsel's Office. As there was neither objection nor debate, the amendment was accepted as a friendly amendment.

Professor Robinson requested and received unanimous consent to yield the floor to Professor Alan Wade, Faculty Co-Chair of the Joint Committee of Faculty and Students. Professor Wade said that in the interests of time, he would not speak to the Resolution as there were four people present who wished to do so. Professor Robinson received unanimous consent for the Senate to hear the speakers.

Each of the four speakers in turn expressed appreciation to the Senate for the opportunity to speak to the Resolution. Catherine Chandler spoke first, saying she has been employed at the University for five years as a full-time academic advisor in the University Honors Program, and also as a part-time lecturer in the Art Department and the Honors Program. In her time at the University she said she has come to really enjoy the spirit of community at GW. She added that she did not want to say anything in particular about the proposal embodied in the Resolution except that it is perfectly in line with the policies and practices of the University which actively does not discriminate. Accepting this change to the EEOP simply puts GW in line with its peers and what it already does on an everyday basis.

Aaron Fox, the staff Coordinator of the Lesbian, Gay, Bisexual and Transgender (LGBT) Resource Center and a current student in the Graduate School of Political Management spoke next. The Resource Center was just established this year, and in doing research to establish it, GW reviewed what other schools are doing to provide resources for LGBT students as well as policies and procedures in place that affect LGBT students, faculty, and staff. As the Senate is aware, *U.S. News and World Report* releases its findings every year about the top 100 schools in the U.S. All of the top 10 include "gender identity or expression" in their nondiscrimination policies. Only 2 of the top 25, Notre Dame and the



University of Virginia, do not include this phrase in their policies. By amending the University's EEOP Policy, Mr. Fox said he thought GW could take a step into this top tier of schools.

Michelle Tanney, a current student in the Graduate School of Political Management, spoke next. Ms. Tanney noted that she is the only graduate student on the Joint Committee of Faculty and Students, and served last year as a senator in the Student Association representing the College of Professional Studies. She also Chairs the Student Association Student Life Committee, and authored the Student Association Resolution regarding specific issues concerning the EEOP Policy. Ms. Tanney said that, although she is not a member of the LGBT community, she is an ally, and as a student at GW for six years, she added that she is very happy to see such progress during that time being made on an issue which she feels is extremely important. The language of Resolution 09/1 was drafted in cooperation with Mr. Fox, members of the LGBT community, and Professor Wolf, who has also spoken and written on this issue. The language was not settled upon in haste, but was carefully considered before the final version was agreed upon. Ms. Tanney concluded her remarks by saying that this issue is inherently important in promoting the diversity GW has on its very progressive campus, and she urged adoption of the Resolution.

Kaden Trifilio, an undergraduate in the Columbian College of Arts and Sciences and a transgender student, also spoke in support of the Resolution as a representative of the community of transgender students on campus who have been working very diligently for the past five years to amend the University's EEOP Policy. Amending the EEOP Policy would benefit the entire GW community as well as any students new to the University as it sends a clear signal that GW does indeed recognize, and is determined to protect, the transgender community. Over 50 faculty and 60 students have signed the letter in support of Resolution 09/1 (included with the agenda for the May Senate meeting), and since the letter was submitted, 5 more faculty members have added their names.

Professor Castleberry said he was asked to read a statement in support of Resolution 09/1 by one of his colleagues in the Graduate School of Education and Human Development. The author of the statement, Professor Mueller, served two terms on the Senate and has served on the Senate Executive Committee. He also was Faculty Co-Chair of the Joint Committee of Faculty and Students, and Chaired the Senate Committee on Educational Policy. His statement reads as follows:

I urge my former Senate colleagues to vote in favor of the Resolution before them. Through my intimate involvement a few years ago in bringing domestic partner benefits to GW I am aware of both the technical and emotional sides of issues related to today's discussions. I am convinced the time is right for the proposed inclusion. In fact, from the supplied background materials and the Resolution itself, it is evident that this action is long overdue. Please vote in favor, to include "gender identity or expression" to GW's nondiscriminatory statement. Thank you.

Discussion followed between Professors Wade, Griffith, Wilmarth, Parsons, Galston, and Helgert on various aspects of the Resolution. A vote was taken and Resolution 09/1 was adopted as amended by unanimous vote. (Resolution 09/1 is attached.)



RESOLUTION 09/2, "A RESOLUTION TO RECOMMEND MODIFICATION OF THE UNIFIED BUDGET MODEL"

Professor Joseph Cordes, Chair of the Fiscal Planning and Budgeting Committee introduced and moved the adoption of Resolution 09/2 and the motion was seconded. Resolution 09/2 was originally proposed by Professors Yezer and Boulier of the Economics Department.

Under the current process for allocating revenues under the Unified Budget, if a situation arises where a student from School A decides to double major in School B, 100% of his or her tuition revenues are credited to School A, and none to School B. There is a concern that this might cause Schools to be reluctant to engage in these kinds of double major arrangements. Resolution 09/2 provides that in this situation, revenues would in future be split. If adopted by the Senate, Resolution 09/2 would need to be discussed by the Council of Deans before the actions recommended are implemented.

There being no discussion or debate, a vote was taken, and Resolution 09/2 was adopted by unanimous vote. (Resolution 09/2 is attached.)

INTRODUCTION OF RESOLUTIONS

No resolutions were introduced.

REPORT ON THE UNIVERSITY'S FY 2009 BUDGET PROJECTIONS IN LIGHT OF THE UNIVERSITY'S FINANCIAL RESULTS AS OF 3/30/09

Professor Cordes, Chair of the Senate Committee on Fiscal Planning and Budgeting (FP&B), distributed the University's Third Quarter Report for FY '09 prepared by the Executive Vice President and Treasurer for the Trustees' Committee on Finance and Audit. He also distributed a report entitled "University Budget Overview, FY 2009 and Beyond" from the FP&B Committee. Both reports are attached.

Professor Cordes gave a brief overview of the University budget framework which requires that projected budgets be balanced before the Board of Trustees gives its approval. When budgeting projections indicate that operating results are negative, there is a gap that has to be closed in order for the budget to be approved. This year, an above the line operating surplus (the difference between operating revenue and operating expense) was projected at approximately \$27 million. That surplus can be used to cover debt service and mandatory expenses, and can also include depreciation allowances for capital projects. The Board also determines the amount of endowment support each year. Figures provided are for the University operating budget (excluding the Medical Center), and not the capital budget. Professor Cordes said that the Budget Office monitors the budget throughout the year and revises revenue and expense forecasts as information is received. At this point, it appears that the FY 09 budget will remain balanced and that no budget gap will need to be covered.

Professor Cordes's report includes detailed information on the University's third quarter results for FY 09, and on Increases and Decreases in Net Assets. The difference between operating revenues and expenses is smaller this year than last as the result of a deliberate decision to slow the increase in tuition rates going forward. This amounts to



some \$10 million. On the revenue side, there is quite a significant shortfall from projected numbers for net fundraising contributions. Professor Cordes noted that in addition to the difficult economic situation, numbers projected were significantly increased over last year and the University was hoping to double the amount of net contributions in FY 09.

Professor Cordes's report also includes information on planning for the FY 10 budget. He noted that last year the same document contained some preliminary projected budget numbers for the next fiscal year, but this year that information is not included. He added that this probably reflects uncertainty about what is going to happen over the summer. Right now, it appears that projections are for a relatively stable enrollment with some reduction in on-campus enrollment offset by an increase in off campus enrollment. This is important information because net tuition and fees represent 71% of GW's revenue, and an additional 13% is derived from housing and other enrollment-based revenues.

The University's overall budget strategy is set forth on page 15 of the report and in essence, Professor Cordes said the University's budget strategy amounts to staying the course while monitoring economic conditions throughout the year and making adjustments as circumstances dictate. On page 16 the report indicates that two key areas in which adjustments may be made are in the category of operating expenditures, including the proposed 4% merit pool for faculty and staff salary increases, and revision of the timeline for capital project spending.

Information on maintaining affordability -- slowing the rate of tuition increases and increasing student financial aid -- is provided on pages 17-21 of the report. It is proposed that approximately \$10 million from the University's reserves will be used to increase student financial aid, and this will mean a \$10 million adjustment in net tuition revenues. Ultimately, the University's goal is to quadruple the financial aid available by increasing philanthropy rather than drawing down reserve funds, which were created by taking money out of the University's operating revenues and tuition in past years. The University's Strategic Plan for Academic Excellence will require additional funding for improvements in several areas (page 22).

In terms of planning for new facilities, up to \$10 million has already been provided (from reserves) for the planning, design and programming of the proposed Science and Engineering Complex (SEC). While the capital budget assumes there will be no new borrowing (except for the \$200 million already arranged this year), planning for additional academic and/or research space at the Mount Vernon and Virginia campuses will continue. A summary of key points concerning funding the University's budget, student demand, and the University's financial position are set forth on pages 24 and 25 of the report.

Discussion followed. Professor Griffith inquired about the amount of the University's reserves. Professor Cordes said he thought this was approximately \$160 million. There is, of course, a limit to the amount that can be drawn from these accounts and ultimately, vastly increased philanthropy will be required to replenish them and finance additional activities. Professor Griffith also inquired about financing increased student financial aid from reserve funds. Professor Cordes responded that he does not have exact figures on these expenditures. Professor Griffith then asked if the Budget Working Group is receiving less information on future budgets than in previous years.



Professor Cordes confirmed that this year there is less numerical information (at this point in time) than last. Additional information will be presented to the Board at their meeting on May 15, but that information was not available at the meeting of the Budget Working Group. Professor Cordes said his sense was that the budgeting process began later, in part because there was some uncertainty about enrollment numbers. Certainly, he added, in previous years one would not have seen a statement that one of the variables that might be used to balance the budget would be an adjustment in the 4% merit pool for salary increases.

Professor Helgert asked how reserve accounts are funded. Professor Cordes said that in past year reserve accounts have been enhanced by revenues drawn from the University's operating budget. Other ways to fund reserve accounts include favorable debt service results by achieving a reduction in interest rates, which allows the University to pay less for debt service and deposit the difference in reserve accounts. Professor Cordes said he thought it would be useful next year for the Budget Working group to inquire about reserve accounts in more detail as this is becoming an increasingly important mechanism for dealing with uncertainties in the economy, the SEC, and student financial aid.

Professor Wilmarth thanked Professor Cordes for all of his work in pulling together the budget information for the Senate as this is highly valuable information for the Senate to consider when contemplating the University's current financial position and future prospects. Professor Wilmarth also inquired about the additional \$200 million the University borrowed this year and the impact of that on the operating budget. Professor Cordes said that he had not as yet had an opportunity to examine this, but there is some impact on the budget, obviously.

Professor Wilmarth said he found it extremely troubling that the 4% merit increase pool for faculty and staff now appears to be under consideration for possible reduction or elimination. The University's third quarter budget report shows that the University has collected almost \$13 million in student tuition and fees above the originally budgeted amount. At the same time, while this is a difficult fundraising environment, the Board of Trustees has invested large amounts of additional resources into the development office. In spite of these additional investments, net contributions are \$6 million below the originally budgeted amount. In addition, student financial aid is \$7 million higher than originally budgeted. Thus, the efforts of the faculty and staff in helping to generate \$13 million of additional tuition and fees have essentially covered the University's higher cost of student financial aid and the University's shortfall in contributions this year.

Professor Wilmarth also observed that the University's current operating reserves have been created in large part by the fact that (i) the University's tuition has consistently been among the highest in the nation, (ii) the efforts of the faculty and staff have frequently helped to produce even higher amounts of tuition than budgeted (as indicated by the enrollment figures shown on page 13 of the third quarter budget report), and (iii) the faculty and staff have received compensation that is far below the average compensation paid at market basket schools. For example, the table entitled "AAUP Faculty Compensation Averages for Market Basket Schools," which is attached to the Annual Report of the ASPP Committee, shows that GW's average faculty compensation ranks twelfth out of fifteen among market basket schools on a non-adjusted basis and thirteenth out of fifteen when adjusted for the comparative cost of living. Thus, GW's average faculty compensation compared to other market basket schools is very poor. The below-average compensation of



GW's faculty and staff results in part from two salary deferrals, each for a 6-month period, between 2000 and 2005. Those salary deferrals helped to fund the University's current reserve accounts.

Professor Wilmarth noted that the Administration previously stated on several occasions that it expected to provide a 4% merit increase pool for faculty and staff salaries in 2010. In Professor Wilmarth's view, a reduction or elimination of next year's salary increase for faculty and staff would unfairly penalize those who have contributed the most toward creating the University's strong financial position, and it would be unconscionable for the University to penalize faculty and staff while continuing to commit large amounts of funds to capital projects and development efforts whose ultimate payoffs are highly uncertain. Professor Cordes said that he thought, in all fairness, that the commitment is still there for a 4% merit pool, but that might have to change in response to altered circumstances. Vice President Lehman said that the University had a good revenue return this year, but because of uncertainties concerning enrollments, which look positive at this juncture, the University is just trying to exercise caution in anticipating revenues and be prepared to respond to circumstances that may arise.

#### GENERAL BUSINESS

I. NOMINATION FOR ELECTION OF PROFESSOR PETER F. KLAREN (ESIA) TO THE SENATE EXECUTIVE COMMITTEE FOR THE 2009-10 SESSION, AS RECOMMENDED BY THE NOMINATING COMMITTEE

Professor Arthur E. Wilmarth, Jr., Convener, moved the nomination of Professor Klaren, who was elected by unanimous vote.

Professor Robinson requested that items II.-- XI. be approved together. All items were approved by unanimous vote, with the addition of two Committee members under item III. (See note below.)

II. APPROVAL OF DATES FOR REGULAR SENATE MEETINGS IN THE 2009-10 SESSION RECOMMENDED BY THE EXECUTIVE COMMITTEE

September 11, 2009	January 15, 2010
October 9, 2009	February 12, 2010
November 13, 2009	March 12, 2010
December 11, 2009	April 9, 2010
	May 14, 2010

III. NOMINATIONS FOR ELECTION OF CHAIRS AND MEMBERS OF FACULTY SENATE STANDING COMMITTEES FOR THE 2009-10 SESSION

The list distributed at the meeting was approved along with the addition of the following faculty members to the indicated Committees: Admissions Policy, Student Financial Aid, and Enrollment Management: Bruce Dickson; Research: Robert Hawley



IV. NOMINATIONS FOR APPOINTMENT BY THE PRESIDENT OF FACULTY MEMBERS TO ADMINISTRATIVE COMMITTEES

Joint Committee of Faculty and Students: Alan G. Wade, Faculty Co-Chair; Heidi Bardot, Geoffrey Carter, Dorothy E. Holmes, Catheerja Ismail, Lisa W. Martin, and Amy Mazur

V. NOMINATIONS FOR APPOINTMENT OF FACULTY MEMBERS BY THE BOARD OF TRUSTEES TO TRUSTEES' COMMITTEES

Committee on Advancement: Joseph J. Cordes; Committee on Academic Affairs: Lilien F. Robinson; Committee on Student Affairs: Alan G. Wade; External Affairs: Christine J. Zink

VI. NOMINATIONS FOR ELECTION BY THE FACULTY SENATE OF FACULTY MEMBERS TO THE STUDENT GRIEVANCE REVIEW COMMITTEE:

Joseph Arleth, Heidi Bardot, Geoffrey Carter, Molina Dayal, Dorothy E. Holmes, Susan LeLacheur, Venetia L. Orcutt, Rumana Riffat, George Stephens, and Karen A. Wright.

VII. REPORT OF THE EXECUTIVE COMMITTEE

Professor Robinson presented the Report of the Executive Committee, which is enclosed.

VIII. ANNUAL REPORTS OF SENATE STANDING COMMITTEES

Annual Reports distributed at the meeting included those from the following Standing Committees: Admissions Policy, Student Financial Aid, and Enrollment Management; Appointment, Salary, and Promotion Policies; Libraries; Physical Facilities; and Professional Ethics and Academic Freedom. Professor Parsons also submitted a report from the Joint Subcommittee on Educational Quality which is examining the experiences of undergraduate students at the University. The report outlines some of the issues the Joint Subcommittee is pursuing. Professor Parsons said he would welcome suggestions about areas that the Committee might perhaps add to its agenda. (The reports are attached.)

BRIEF STATEMENTS (AND QUESTIONS)

Professor Parsons distributed clarifications to two of the statements he had made in the minority report at the April Senate meeting concerning the Science and Engineering Complex. Following the Senate meeting, the majority report was redrawn. When this was presented for Committee approval, Professor Parsons said that he thought the new document was reasonable enough for him to sign on with the majority. However, with respect to two items in the oral informational report given at the April meeting, Professor Parsons offered the following clarifications. Professor Parsons said he reported that research space in the SEC would be allocated on a cash basis when he should have said it "will be assigned competitively based on the funding level of the principal investigators who are proposing to occupy the space" [Donald Lehman, Faculty Senate, December 12, 2008]. Professor Parsons said that there are very real questions about the model the SEC will follow



-- campus resource, or an industrial park for generating revenue. Professor Parsons' report also clarifies his statement that there are no known provisions for improving the lab experiences of GW science and engineering students until the completion of the new building (SEC) in 2014. Professor Parsons apologized for this characterization when he should have said there are no known provisions for renovating GW science and engineering lab facilities -- renovation and improvement being two different things. Professor Parsons said he thought the University needs to think seriously about educating students as the goal rather than focusing on the SEC, which is a means of achieving that goal and will not happen for at least five years. Attention should be paid to improving the educational experience for current students as well as integrating that with longer term solutions, such as new construction. A more detailed account of Professor Parsons' concerns is set forth in his report, which is attached.

Professor Windsor reported briefly on the decanal search in the School of Public Health and Health Services. A plan for the search process has been drafted and will be considered at a faculty meeting scheduled for April 17<sup>th</sup>.

#### ADJOURNMENT

There being no further business before the Senate, Vice President Lehman thanked Senate members for all of their work and wished everyone a pleasant and productive summer. With unanimous consent, the meeting was adjourned at 5 p.m.

*Elizabeth A. Amundson*

Elizabeth A. Amundson  
Secretary



**A TRIBUTE TO JOSEPH M. GIORDANO, M.D.**  
**Professor Emeritus of Surgery**

**Joseph Giordano, M.D., has been with The George Washington University Medical Center since 1968, when he began his General Surgery Residency. He has devoted his entire academic and clinical career to this institution, and will retire this year, in 2009.**

**Dr. Giordano came to George Washington University, having completed his undergraduate studies at Georgetown University in 1963, and M.D. degree at Jefferson Medical College in 1967. After serving as Chief Surgical Resident in 1973, he joined the Department of Surgery faculty at GW as Assistant Professor. It took little time for Dr. Giordano to establish his presence, as he became the Acting Director of the Emergency Room in 1976, and Director and Founder of The George Washington University Hospital Trauma Team--his duties in this capacity highlighted by the outstanding surgical and critical care of President Ronald Reagan in the 1981 assassination attempt.**

**Clinically, Dr. Giordano is a technically superb surgeon and teacher in all areas of general and thoracic surgery. As a subspecialist, he is a highly respected vascular surgeon, with one of the most outstanding success records in the field of carotid endarterectomy in the country. He has been a sought-after speaker on vascular surgery, and has published extensively, on topics ranging from Takayasu's disease to vascular disorders in diabetics. He was a founding member and President of the Chesapeake Vascular Society and the Eastern Vascular Society, and active member of numerous other national and international societies and associations.**

**Dr. Giordano became the Chairman of the Department of Surgery in 1992. Along the way, he has been on practically every Medical Center and Hospital committee. Considering the dramatic developments that this Medical Center and Hospital have gone through in the past 40 years, Dr. Giordano has been at the epicenter of every major challenge and change, as a stabilizing and guiding force. As Chairman, he built the Department of Surgery from a small localized group of general surgeons to a highly respected department with multiple divisions and functions. He navigated through the most profound transformation within General Surgery, the open to minimally invasive (laparoscopic) era, by building the most respected and comprehensive Division of Minimally Invasive Surgery in the region.**



**As Chairman, Dr. Giordano was responsible for the continued excellence of the residency program of the Department of Surgery. The surgery clerkship has for years been noted to be one of the finest educational experiences at the Medical Center. Dr. Giordano is responsible for the training of hundreds of surgical residents, many of whom have honored Dr. Giordano by continuing the tradition of superb clinical skills and teaching at other institutions across the country.**

**Dr. Giordano served on the University Faculty Senate for two years, 1990-91 and 1991-92. He was the chairman of the Executive Committee of the Medical Center from 1991 to 1994, and served as chairman of the Search Committee for Vice President of the Medical Center in 1987 and again in 1992. He was one of the founding members of the Board of Trustees for the newly independent Medical Faculty Associates in 2000, and previously served for many years on the governing board of the MFA.**

**Dr. Giordano is most admired for his leadership skills and his camaraderie and consensus- building abilities that were so crucial in helping the Surgery Department and the Medical Center succeed through these transforming times.**

**Respectfully submitted,**

**Paul Lin, MD  
Vice Chairman, Department of Surgery**

**Read into the Record of the Faculty Senate meeting  
May 8, 2009**



### **A Tribute to Debra Sheldon, Professor Emeritus of Accountancy**

Debra Sheldon retired at the end of the Fall, 2008 semester after 29 years of service to The George Washington University, including active participation on the Faculty Senate.

Professor Sheldon is a graduate of The George Washington University, completing her doctorate in 1981 in Accountancy, Finance, Applied Economics, and Administrative Theory and Practice. Prior to her GW tenure, Dr. Sheldon worked at the Brookings Institution, Johnson Research Foundation, as Assistant Director of the First National Bank of Atlanta, and on the faculty of George Mason University and the Georgetown University School of Business.

Professor Sheldon has served on the GWU faculty since the early 80's, when she accepted a position as an Assistant Professor. She guided the Accountancy Department as Chair from 1991 to 1994 and from 1996 to 1999, and oversaw a significant departmental expansion in both faculty and course offerings. In her capacity as Associate Dean for Graduate Studies from 2001 to 2005, Dr. Sheldon greatly expanded the visibility and quality of the Business School's graduate program.

Dr. Sheldon's Faculty Senate service was no less consequential. Serving on the influential Senate Committees on Appointment, Salary, and Promotion Policies; Faculty Development and Support; and Fiscal Planning and Budgeting (which she chaired during a particularly important chapter in the University's history), she most ably represented the School of Business and Public Management (now the "GW School of Business") from 1998 to 2000.

Professor Sheldon is the author of five books, including most recently a timely treatise on how to make organizations function better not only for their own benefit, but also for the benefit of the publics they serve. Well before others, she identified the looming crisis in public confidence over private-sector dealings, and offered what are now regrettably unheeded prescriptions for heading off the disaster in which we are currently enmeshed.

Through her many dedicated years of service to The George Washington University, Debra Sheldon has shown a deep devotion to her students and colleagues, to the academy, to the field of Accountancy, and to the University. While we will miss her day-to-day wisdom, guidance, and humor, her legacy will endure. We wish her the very best as she moves to the next passage in her journey.

Read into the record at the Faculty Senate meeting, May 8, 2009



**A Resolution to Amend The George Washington University Equal  
Employment Opportunity Policy (EEOP) To Include "Gender Identity  
or Expression" ((09/1)**

WHEREAS, the current EEOP does not specifically include "gender identity or expression" as a basis for which the University does not unlawfully discriminate; and

WHEREAS, over 260 colleges and universities have included "gender identity or expression" in their non-discrimination policies; and

WHEREAS, the inclusion of "gender identity or expression" would be consistent with provisions in the District of Columbia Human Rights Act that prohibit educational institutions from discriminating against individuals on this basis; and

WHEREAS, the inclusion of "gender identity or expression" assures current and prospective transgender students, faculty and staff that GW is a nurturing and supportive campus community; and

WHEREAS, the GW Student Association has voted unanimously to support the inclusion of such language in the EEOP; and

WHEREAS, GW students have expressed their belief that the inclusion of "gender identity or expression" in the EEOP would result in an increased sense of safety and security; NOW, THEREFORE

BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY

That the EEOP be amended to read as follows:

"The George Washington University does not unlawfully discriminate against any person ~~on the basis of~~ on any basis prohibited by federal law, the District of Columbia Human Rights Act, or other applicable law, including without limitation, race, color, religion, sex, national origin, age, disability, veteran status, sexual orientation, or gender identity or expression. This policy covers all programs, services, policies and procedures of the University, including admission to educational programs and employment. ~~The University is subject to the District of Columbia Human Rights Act.~~"

BE IT FURTHER RESOLVED THAT THE FACULTY SENATE supports the amending of all University non-discrimination statements, including those in the Guide to Student Rights and Responsibilities and the GW statement on Discrimination and Harassment Prohibited in the Workplace, to include "gender identity or expression."

Joint Committee of Faculty and Students

April 8, 2009

Adopted as amended, May 8, 2009



**A RESOLUTION TO RECOMMEND MODIFICATION OF THE UNIFIED  
BUDGET MODEL (09/2)**

WHEREAS, the Administration has adopted the "Unified Budget Model" (UBM) and that model is playing a significant role in determining the funding for, and strength of, academic programs in the various Schools of the University;

WHEREAS, the UBM specifically claims that "(o)nly those activities that a school can control are included in determining the budgeted margin" and has interpreted that control to refer to the "continuing undergraduate students enrolled in a school's on-campus programs during the academic year", so that, for example, "under the Unified Budget Model, no tuition revenue is allocated to one school for teaching students enrolled in other schools";

WHEREAS, these two provisions of the UBM are incompatible with an environment where students should not be impeded in seeking inter-school majors and minors which require the resources and attention of at least two schools and which schools could control by denying students access to these interschool majors and minors and course enrollment;

WHEREAS, the current system provides an undesirable financial incentive for departments and faculty to discriminate among students majoring in the same subject based on the school in which they are enrolled;

WHEREAS, the *Faculty Code* Section IX.A. entitles faculty to "an active role ..." including "an opportunity to make recommendations" when budgetary decisions under schemes such as the UBM have substantial implications for the strength and continuation of academic programs, the welfare of students, and the teaching and learning environment; NOW, THEREFORE

BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY

That the potentially dysfunctional provision of the UBM be eliminated by amending the provisions in the "Closing Out the Budget at Year End" sections (pages 3 and 4) of the current Unified Budget model to provide for equal division of tuition revenue from undergraduate students based on their declared candidacy for majors offered by the various schools rather than based solely on school of enrollment. This recommended change is to take effect in fiscal year 2010.

Committee on Fiscal Planning and Budgeting  
April 21, 2009

Adopted May 8, 2009



**The George Washington University**

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**The George Washington University  
Committee on Finance & Audit  
Third Quarter Report  
FY 09**

Office of the Executive Vice  
President and Treasurer

May 13, 2009



# **The George Washington University**

## **University Third Quarter Report FY 09**

The University is projected to end the fiscal year with a balanced budget.

Revenues are projected to be \$4.0 million better than budget offset by an increase in expenses and other changes in net assets. The increase in revenue is attributed to additional off campus enrollment and higher other income offset by lower contribution revenue.

Expenses are \$7.6 million above budget. Of this amount \$4.0 million is funded by additional revenues and \$3.6 million is funded from reserves, including funding for the Unified Web Presence and e-Procurement projects.

The Unified Web Presence project will improve GW website navigation allowing students, parents and University staff to find desired content with ease. The project will also provide a new dynamic technology platform that will significantly improve content management. The e-Procurement initiative will enable us to systematically maintain product preferences and pricing agreements with vendors, thereby ensuring we receive the standard of goods and services we expect at the lowest possible cost. Both initiatives support the Strategic Plan.

Including the Medical Center, the University's operating revenue is projected to grow 3.9 percent over the last year while expenses are estimated to increase 6.6 percent for same period.



# The George Washington University

## University Third Quarter Report FY 09

(Dollars in Thousands)

	Approved Budget (1)	1st Quarter Forecast	2nd Quarter Forecast	3rd Quarter Forecast	Variance to Budget
Revenue	\$ 573.7	\$ 580.2	\$ 576.7	\$ 577.7	\$ 4.0
Expenses	544.6	551.1	550.4	552.2	(7.6)
Other Changes in Net Assets	(29.1)	(29.1)	(26.3)	(25.5)	3.6
OPERATING RESULTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- (1) The Approved Budget has been restated to reflect budget reallocations within expense categories that have no impact on the operating results.



# The George Washington University

## University Third Quarter Report FY 09

The University is projected to end the year with a balanced budget.

**Revenue** is \$4.0 million higher than the approved budget and \$1.1 million above the second quarter forecast.

**Net Tuition and Fees** revenue is \$5.7 million above budget.

- \$0.6 million in additional undergraduate and graduate revenue from enrollment; \$1.4 million lower than second quarter forecast due to an increase in financial aid for the spring semester and additional tuition distribution to the Medical Center.
- \$6.0 million in additional off campus revenue which is \$2.3 million above the second quarter forecast.
- \$4.0 million in additional Law School tuition revenue which is \$0.1 million below the second quarter forecast. The additional revenue is offset by \$3.4 in financial aid.
- Summer tuition revenue is forecasted to be \$1.5 below budget due revised enrollment projections.

**Auxiliary Enterprise** revenue is projected to be \$0.6 million above budget the increase is related to parking and student housing revenue. The estimate is \$1.2 million below the second quarter estimate due to a forecasting error.

**Contributions Net** revenue is estimated at \$15.5 million which is \$2.5 million above the prior year but \$6.1 million below the approved budget. The contribution revenue shortfall is partially offset by \$1.0 million in lower Development Office spending.

**Other Income** revenue is projected to be \$3.8 million above the approved budget driven largely by academic programs and activities (\$3.0 million).

**Total Expenses** are forecasted to be \$7.6 million above budget and \$1.9 million above the second quarter forecast. The major variances include:

**Compensation** expense is \$2.6 million above the approved budget and \$3.2 million above the second quarter forecast. In addition to the previously reported variances related to the Assistant Professor salary adjustments and the Global Media Institute, the forecast has been updated to include additional Law School compensation (\$1.9 million funded by the school), reallocations from other expense categories that have no budget impact, and a lower than anticipated vacancy rate.

**Purchased Services** expense is projected to be \$5.1 million over the approved budget and \$1.6 million over the second quarter forecast due to \$2.7 million related to IT projects including the next phase of Unified Web Presence, E-Procurement and Cable TV upgrade, \$2.5 million for additional expenses related to off campus programs and \$2.3 million in regulatory and compliance costs. These increases are offset by lower Study Abroad provider payments due to lower enrollment.

**Equipment** expense is \$1.1 million above budget and \$0.3 million lower than the second quarter forecast due to costs associated with expansion of the wireless network and carryover funding.

**Bad Debt** expense is \$1.1 million below budget and \$0.5 million better than the second quarter forecast reflecting improved management of receivables.

**Occupancy** expense is \$2.3 million above budget due to reallocations from other expense categories.

**Other** expense is \$2.8 million below budget and \$4.8 million below the second quarter estimate. Most of the change reflects reallocations to other expense categories that have no budget impact.

**Debt Service** is expected to be \$2.6 million below budget as a result of interest rate savings and discontinuing the amortization of internal advances on Virginia Campus land (Building 2 and Research 2).

**Support/Investment** is projected to be \$3.2 million below budget and \$1.0 million more than the second quarter estimate due to a reduction in revenue sharing distributions to Academic reserves. The variance includes \$5.8 million of transfers to the operating budget:

- \$1.7 million from Academic Reserves related to prior year carryover for academic units (\$0.9m), draw on revenue reserves (\$1.4m) offset by increase in revenue sharing (\$0.5m).
- \$4.1 million from administrative reserves for the Unified Web Presence and E-Procurement projects and funding carried over from the prior year.

These transfers are offset by a \$2.6 million addition to reserves as result of debt service savings.



# The George Washington University

## University Third Quarter Report FY 09

(Dollars in Thousands)

	Approved Budget <sup>(1)</sup>	1st Quarter Forecast	2nd Quarter Forecast	3rd Quarter Forecast	Variance to Budget
<b>REVENUES</b>					
Student Tuition & Fees	582,715	592,771	593,725	595,622	12,908
Less University Funded Scholarships	(148,200)	(153,342)	(153,497)	(155,418)	(7,218)
Net Student Tuition & Fees	434,515	439,428	440,228	440,204	5,690
Indirect Cost Recoveries	10,088	9,293	9,771	10,088	0
Auxiliary Enterprises	89,039	90,855	90,811	89,620	582
Contributions Net	21,639	21,639	16,839	15,502	(6,137)
Other Income	18,420	19,004	18,991	22,277	3,857
Total Revenues	573,700	580,219	576,640	577,692	3,992
<b>EXPENSES</b>					
Salaries & Wages	293,331	293,709	291,961	296,518	(3,188)
Fringe Benefits	69,595	69,578	70,371	69,054	541
Purchased Services	76,482	79,733	80,022	81,612	(5,131)
Supplies	7,464	7,603	8,246	7,816	(353)
Equipment	14,674	16,869	16,078	15,798	(1,124)
Bad Debt	3,000	3,000	2,390	1,900	1,100
Occupancy	45,566	45,778	44,429	47,838	(2,272)
Scholarships & Fellowships	8,132	8,317	8,110	8,270	(138)
Communications	4,855	4,853	4,868	4,594	262
Travel & Training	11,720	11,890	12,111	11,759	(39)
Other	9,823	9,774	11,791	7,059	2,764
Total Expenses	544,642	551,104	550,377	552,219	(7,577)
<b>OTHER (DECREASES)/INCREASES IN NET ASSETS</b>					
Debt Service & Mandatory Purposes	(53,095)	(51,462)	(50,873)	(50,518)	2,577
Endowment Support	35,028	35,028	35,108	35,138	110
Capital Expenditures	(11,597)	(11,560)	(13,269)	(13,929)	(2,332)
Support/Investment	607	(1,121)	2,771	3,837	3,230
Total Other Changes in Net Assets	(29,058)	(29,115)	(26,263)	(25,472)	3,586
<b>OPERATING RESULTS</b>	0	0	0	0	0

(1) The Approved Budget has been restated to reflect budget reallocations within expense categories that have no impact on the operating results.



# The George Washington University

## University Third Quarter Report FY 09

### Endowment Budget Support University and Medical Center (Dollars in Thousands)

	FY 08	Estimated FY 09			
		As of May <sup>(6)</sup>	As of September <sup>(7)</sup>	As of December <sup>(8)</sup>	As of March <sup>(9)</sup>
Market Value of Endowment <sup>(1)</sup>					
Average	1,201,942	1,088,883	1,205,120	1,137,449	1,126,078
Average Excluding Square 54	1,120,842	926,683	1,042,920	975,249	963,878
Gifts Designated for Endowment <sup>(2)</sup>	17,744		4,670	6,831	14,612
University Additions <sup>(3)</sup>	4,220		(136)	902	1,817
Base Payout	43,597	45,324	45,459	45,533	45,597
Supplemental Payout:					
Strategic Plan and Advancement	4,695	4,900	4,900	4,900	4,900
Development	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Total Payout Excluding Square 54	49,292	51,224	51,359	51,433	51,497
Payout Rate Excluding Square 54 <sup>(4)</sup>	4.4%	5.5%	4.9%	5.3%	5.4%
Square 54 Payout <sup>(5)</sup>	4,546	5,428	5,667	5,741	5,787
Total Payout Including Square 54	53,838	56,652	57,026	57,174	57,284
Payout Rate Including Square 54 <sup>(4)</sup>	4.5%	5.2%	4.7%	5.0%	5.1%

(1) Net of liabilities.

(2) Cash basis.

(3) Payout reinvested and University funds transferred to the endowment.

(4) In calculating the payout rate, the market value of the following separately invested funds (currently \$6.6 million) was excluded: Katzen, Cheney, Ramsey Student Investment and Undergraduate Investment Class.

(5) Square 54 payout represents the reimbursement of site development costs. The remaining \$3.3 million in ground rent distributions in excess of estimated site development costs will be reinvested in the endowment. About \$1 million of the \$1.8 million in University Additions through March 2009 represents the reinvestment of ground rent distributions.

(6) Market value as of March 31, 2008. Base payout based on funds invested as of Mar. 2008 and a payout rate of \$3.38 per unit.

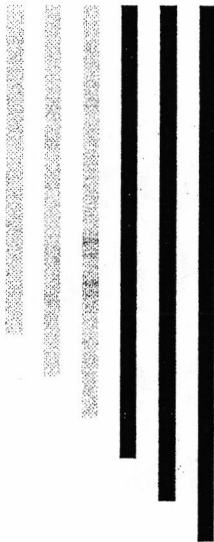
(7) Average market value for the first three months of FY 09. Payout based on funds invested as of Sep. 2008 and a payout rate of \$3.38 per unit.

(8) Average market value for the first six months of FY 09. Payout based on funds invested as of Dec. 2008 and a payout rate of \$3.38 per unit.

(9) Average market value for the first nine months of FY 09. Payout based on funds invested as of Mar. 2009 and a payout rate of \$3.38 per unit.



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A decorative graphic consisting of several vertical bars of varying heights and widths, some solid black and some with a light gray stippled pattern, arranged in a slightly staggered fashion.

# **University Budget Overview FY 2009 and Beyond**

**Briefing to the George Washington University Faculty Senate  
by  
Joseph Cordes  
Chair, Faculty Senate Committee on Fiscal Planning and  
Budgeting  
May 8, 2009**

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# Outline

- Overview of Budget
- Fiscal year 2009
  - Budget projections
  - 3<sup>rd</sup> Quarter Performance
- University Budget Working Group:  
Looking Ahead to Fiscal year 2010



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## Comments and Caveats

- Data on operating budgets, expenses, and “gaps” refer to “university budget” which does not include the medical center.
- Focus on operating budget, not capital budget.



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# Annual Budgeting Framework

- ❑ Submission to Board of Trustees of budget that must be balanced
- ❑ Budget balance: budgeted (projected)  
*Operating Results* (next slide) must equal \$0
- ❑ When budget projections indicate that  
Operating Results < \$0 there is a budget gap
- ❑ Budget gap needs to be addressed in order for budget to be approved.



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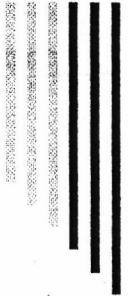
# The Budgeting Framework (Approved FY 2009 Example)

Approved Budget	FY 2009
Operating Revenue	\$575.1
Operating Expense	\$547.9
(Operating Revenue - Operating Expense)	\$27.3
Other Decreases (Increases) in Net Assets	-\$27.3
Operating Results	\$0.0

Budget Submitted to GWU Board of Trustees  
Approved May 2008



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## Components of the Budget Category: *Other (Decreases) Increases in Net Assets:*

	Budgeted FY 2009
Debt Service & Mandatory Purposes	-\$53.1
Endowment Support	\$34.5
Capital Expenditures	-\$11.0
Support/Investment	\$2.3
Total	-\$27.3



# University Third Quarter Report FY 09

(Dollars in Millions)

	Approved Budget (1)	1st Quarter Forecast	2nd Quarter Forecast	3rd Quarter Forecast	Variance to Budget
Revenue	\$ 573.7	\$ 580.2	\$ 576.7	\$ 577.7	\$ 4.0
Expenses	544.6	551.1	550.4	552.2	(7.6)
Other Changes in Net Assets	(29.1)	(29.1)	(26.3)	(25.5)	3.6
OPERATING RESULTS	\$ -	\$ -	\$ -	\$ -	\$ -

(1) The Approved Budget and the 3<sup>rd</sup> Quarter Forecast have been restated to reflect budget reallocations within expense categories that have no impact on the operating results.



## University Third Quarter Report FY 09 (Dollars in Thousands)

	Approved Budget	1st Quarter Forecast	2nd Quarter Forecast	3rd Quarter Forecast	Variance to Budget
<b>REVENUES</b>					
Student Tuition & Fees	582,715	592,771	593,725	595,622	12,908
Less University Funded Scholarships	(148,200)	(153,342)	(153,497)	(155,418)	(7,218)
Net Student Tuition & Fees	434,515	439,428	440,228	440,204	5,690
Indirect Cost Recoveries	10,088	9,293	9,771	10,088	0
Auxiliary Enterprises	89,039	90,855	90,811	89,620	582
Contributions Net	21,639	21,639	16,839	15,502	(6,137)
Other Income	18,420	19,004	18,991	22,277	3,857
Total Revenues	573,700	580,219	576,640	577,692	3,992
<b>EXPENSES</b>					
Salaries & Wages	293,331	293,709	291,961	296,518	(3,188)
Fringe Benefits	69,595	69,578	70,371	69,054	541
Purchased Services	76,482	79,733	80,022	81,612	(5,131)
Supplies	7,464	7,603	8,246	7,816	(353)
Equipment	14,674	16,869	16,078	15,798	(1,124)
Bad Debt	3,000	3,000	2,390	1,900	1,100
Occupancy	45,566	45,778	44,429	47,838	(2,272)
Scholarships & Fellowships	8,132	8,317	8,110	8,270	(138)
Communications	4,855	4,853	4,868	4,594	262
Travel & Training	11,720	11,890	12,111	11,759	(39)
Other	9,823	9,774	11,791	7,059	2,764
Total Expenses	544,642	551,104	550,377	552,219	(7,577)
<b>OTHER (DECREASES)/INCREASES IN NET ASSETS</b>					
Debt Service & Mandatory Purposes	(53,095)	(51,462)	(50,873)	(50,518)	2,577
Endowment Support	35,028	35,028	35,108	35,138	110
Capital Expenditures	(11,597)	(11,560)	(13,269)	(13,929)	(2,332)
Support/Investment	607	(1,121)	2,771	3,837	3,230
Total Other Changes in Net Assets	(29,058)	(29,115)	(26,263)	(25,472)	3,586
<b>OPERATING RESULTS</b>	0	0	0	0	0

- (1) The Approved Budget has been restated to reflect budget reallocations within expense categories that have no impact on the operating results.



# University Third Quarter Report FY 09 (Dollars in Thousands)

## Endowment Budget Support University and Medical Center

	FY 08	Estimated FY 09			
		As of May <sup>(1)</sup>	As of September <sup>(2)</sup>	As of December <sup>(3)</sup>	As of March <sup>(4)</sup>
Market Value of Endowment <sup>(1)</sup>					
Average	1,201,942	1,088,883	1,205,120	1,137,449	1,126,078
Average Excluding Square 54	1,120,842	926,683	1,042,920	975,249	963,878
Gifts Designated for Endowment <sup>(2)</sup>	17,744		4,670	6,831	14,612
University Additions <sup>(3)</sup>	4,220		(136)	902	1,817
Base Payout	43,597	45,324	45,459	45,533	45,597
Supplemental Payout:					
Strategic Plan and Advancement	4,695	4,900	4,900	4,900	4,900
Development	1,000	1,000	1,000	1,000	1,000
Total Payout Excluding Square 54	49,292	51,224	51,359	51,433	51,497
Payout Rate Excluding Square 54 <sup>(4)</sup>	4.4%	5.5%	4.9%	5.3%	5.4%
Square 54 Payout <sup>(5)</sup>	4,546	5,428	5,667	5,741	5,787
Total Payout Including Square 54	53,838	56,652	57,026	57,174	57,284
Payout Rate Including Square 54 <sup>(4)</sup>	4.5%	5.2%	4.7%	5.0%	5.1%

(1) Net of liabilities.

(2) Cash basis.

(3) Payout reinvested and University funds transferred to the endowment.

(4) In calculating the payout rate, the market value of the following separately invested funds (currently \$6.6 million) was excluded: Katzen, Cheney, Ramsey Student Investment and Undergraduate Investment Class.

(5) Square 54 payout represents the reimbursement of site development costs. The remaining \$3.3 million in ground rent distributions in excess of estimated site development costs will be reinvested in the endowment. About \$1 million of the \$1.8 million in University Additions through March 2009 represents the reinvestment of ground rent distributions.

(6) Market value as of March 31, 2008. Base payout based on funds invested as of Mar. 2008 and a payout rate of \$3.38 per unit.

(7) Average market value for the first three months of FY 09. Payout based on funds invested as of Sep. 2008 and a payout rate of \$3.38 per unit.

(8) Average market value for the first six months of FY 09. Payout based on funds invested as of Dec. 2008 and a payout rate of \$3.38 per unit.

(9) Average market value for the first nine months of FY 09. Payout based on funds invested as of Mar. 2009 and a payout rate of \$3.38 per unit.



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# The Budget Working Group FY 10 Budget Planning

Office of the Executive Vice President and Treasurer  
May 1, 2009





# Agenda

- ☐ Enrollment Assumptions
- ☐ Strategy
  - Maintain Affordability
  - Invest in the Strategic Plan
  - Continue Planning for Investment in Facilities
- ☐ Funding



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## Enrollment

Enrollment is projected to remain relatively stable through FY 2012.

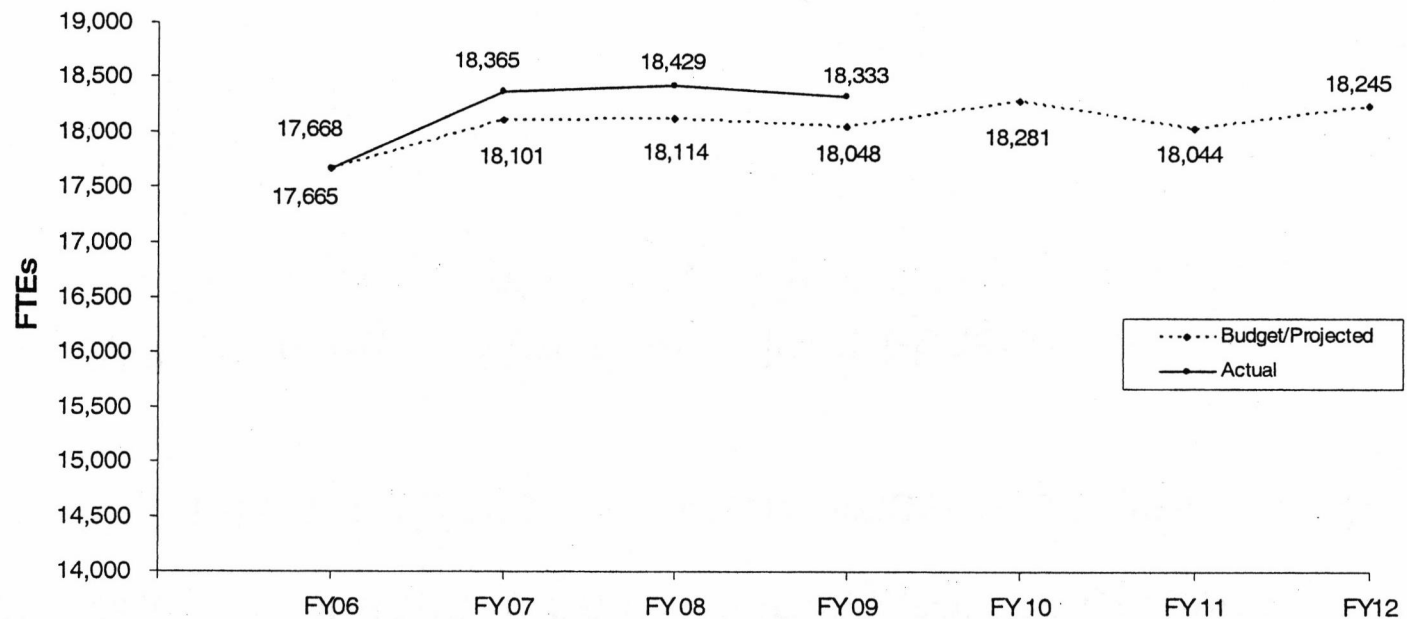
Consistent with enrollment targets, on campus enrollment is projected to decrease 1 percent.

The projections reflect a 3 percent increase in off campus enrollment.



# Fall Enrollment History

## Summary (Including Law/Non-Degree)



- ❖ Represents Fall undergraduate and graduate enrollment. On campus enrollment is as of Fall census and off campus enrollment is as of the end of term. FY 09 actual date reflects enrollment as of the end of the third week of classes. Does not include SMHS and SPHHS.
- ❖ FTEs are calculated as follows:
  - FT Undergraduate students and FT JD
  - + PT Undergraduate, PT-JD and PJD students credit hours divided by 12
  - + Graduate, Off Campus and Non-Degree students credit hours divided by 9
  - = Total FTEs



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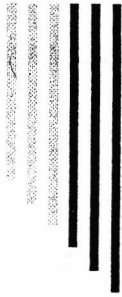


## Enrollment

Enrollment will continue to be the primary source of revenue:

- ❖ Net tuition and fees revenue represents 71 percent of revenue
- ❖ With housing and other enrollment-based revenue, enrollment accounts for over 84 percent of revenue





## Our Strategy

Our progress to date has created a momentum that would be difficult and costly to resume were we to suspend these efforts until economic conditions improve:

- ❖ Maintain affordability
- ❖ Proceed with investments in the Strategic Plan for Academic Excellence and fundraising
- ❖ Continue planning for investments in academic, research, and student life facilities



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## Our Strategy

Monitor economic conditions throughout the year and adapt should circumstances dictate.

As always, failure to achieve enrollment targets could necessitate changes to proposed spending:

- ❖ Operating expenditures, including the proposed 4 percent merit pool for faculty and staff, could be adjusted
- ❖ The timeline for capital project spending could be revised





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## Maintain Affordability

### ❖ Undergraduate

- ❖ Fixed Price Tuition
- ❖ Increases below competition and in line with inflation trends
- ❖ Based on preliminary information, our increases are below the average for peer institutions



## Comparative Tuition and Fees First Year and Total Cost for Four Years of Attendance

The following data compare the tuition and fees paid by GW students in their four years of attendance under the Fixed Price Tuition Plan with comparable costs at 41 peer institutions.

	New Students		GW Rank	
	GW	Peers <sup>(1)</sup>	First Year	Four Years <sup>(2)</sup>
Class Entering Fall 2004	15.9%	5.5%	1	7
Class Entering Fall 2005	6.1%	5.5%	1	3
Class Entering Fall 2006	3.9%	5.7%	1	5
Class Entering Fall 2007	3.8%	5.4%	1	10
Class Entering Fall 2008	3.0%	5.2%	1	12
Class Entering Fall 2009	3.0%	3.9%	2	14

(1) The Fall 2009 increase is based on available information for 29 of the 41 institutions.

(2) Based on available Fall 2009 pricing information. Otherwise a 4 percent tuition increase is assumed. Later years assume 3 percent increases for GW and 4 percent increases for peers.





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## Maintain Affordability Undergraduate

- ❖ Financial aid:
  - Normal adjustments based on changes in enrollment and pricing
  - Commitment to provide additional funding for financial aid:
    - Near term – from reserves
    - Longer term – five year plan to quadruple fundraising for financial aid



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## Maintain Affordability Undergraduate

To assist families in dealing with the current economic situation:

- ❖ \$10 million in supplemental funding will be needed for new and continuing students next year
- ❖ Students receiving funds will continue to receive funding as long as they remain enrolled
- ❖ Total cost of initiative over next four years to six years ranges between \$24 million and \$47 million



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## Maintain Affordability Graduate & Professional

- ❖ Maintain competitive market position
- ❖ Financial aid adjustments based on enrollment and pricing



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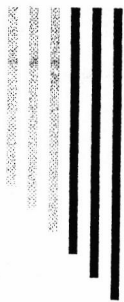


## Strategic Plan

Additional funding for:

- ❖ Strategic Plan initiatives, growth in off campus programs, and the Law School
- ❖ Enhancing research capacity
- ❖ Gelman Library and Academic Technologies
- ❖ Unified Web Presence Initiative





## Planning for New Facilities

To maintain momentum, we will continue planning for several key projects:

- ❖ Science and engineering complex
- ❖ Renovation of additional space on the Mount Vernon Campus for academic use
- ❖ Build out/renovate additional academic and research space at the Virginia Campus

Proceeding with planning for these projects will put us in a position to move forward subject to Board approval.

Capital budget assumes no new borrowing.



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## Funding the Budget

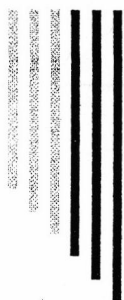
In the past, the growth in reserve balances has allowed us to internally finance capital projects.

We have treated these internal advances the same as external debt, and have repaid ourselves from the operating budget.

This funding model has allowed us to:

- ❖ Continue to make capital investments without increasing our debt burden
- ❖ Create a reserve that allows us to respond to strategic opportunities and unexpected events



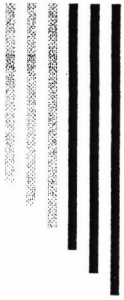


## Funding the Budget

Well-positioned to face the challenges presented by current economic conditions:

- ❖ Strong demand characteristics
- ❖ Financial capacity (liquidity and reserves)





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## Student Demand

Undergraduate applications and admissions are running slightly ahead of last year.

Compared to the same period last year, graduate applications are 15 percent higher and admissions are up 20 percent.



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## Financial Position

- ❖ Because we are less dependent on endowment payout and gifts than peer institutions, the consequences of the economic downturn have not been as significant
- ❖ Realigned our debt structure to lock in favorable interest rates
- ❖ Issuance of 2009 Bonds provides additional liquidity
- ❖ Ability to internally finance capital projects
- ❖ Standard & Poors upgraded our rating from A to A+; Moody's affirmed its A1 rating





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## Funding the Budget

The reserves we have developed, along with converting more of our debt to fixed rates, provide us with the flexibility to:

- ❖ In the short term, fund the increases in financial aid
- ❖ Proceed with our investments in the Strategic Plan and fundraising.